



Request for City Council Committee Action From the Department of Public Works

Date: September 14, 2010

To: Honorable Sandra Colvin Roy, Chair Transportation & Public Works Committee

Subject: **Downtown Business Improvement Special Service District, Proposed Services and Service Charges for 2011: Public Hearing**

Recommendation:

Passage and summary publication of a Resolution for the Downtown Business Improvement Special Service District:

- A. Approving the operating plan which includes special services and budget cost estimates in the lump sum total amount of \$6,298,535 for 2011;
- B. Approving service charges and the lists of service charges (assessments) in the lump sum total amount of \$5,490,416.13 for 2011;
- C. Directing the City Clerk to transmit certified copies of the lists of service charges to the Hennepin County Auditor; and
- D. Directing the City Engineer to proceed with the work.

Previous Directives: Transportation and Public Works Committee meeting of August 17, 2010 directing staff to give notice of public hearing.

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Michael D. Kennedy, P.E., Director, Transportation Maintenance & Repair

Approved by:

Steven A. Kotke, P. E., City Engineer/ Director of Public Works

Presenters: Michael D. Kennedy, P.E., Director, Transportation Maintenance & Repair

Reviews Not Applicable

Financial Impact

Special assessment against benefited properties

Community Impact

Neighborhood Notification: Public hearing notices sent out September 8, 2009

City Goals: The City's infrastructure will be well-maintained; streets will be destinations.

Comprehensive Plan: Consistent

Zoning Code: Not Applicable

Background/Supporting Information:

On December 12, 2008, City Council adopted an ordinance that amended the Minneapolis Code of Ordinances by adding a new Chapter 465 that established the Downtown Business Improvement Special Service District.

A public hearing is required to approve the services and service charges for the Downtown Business Improvement Special Service District, commonly called the Downtown Improvement District or "DID".

The work or service provision in the DID is managed and delivered by the non-profit entity called the Minneapolis Downtown Improvement District via a contract with the City. The scope of services and budget are described in the attached Operating Plan.

The assessments for the DID will be based on the following:

- a) Services that have a direct relationship to lineal footage, (e.g., sidewalk sweeping), are based on the lineal frontage of a property; and
- b) Services that benefit the entire District without relationship to lineal frontage (e.g., greening) are based on the property's Gross Building Area (or land area if undeveloped) per City Assessor records. This addresses the relationship between the quantity of people within a building and the use of the District services.
- c) The District is divided into different service areas based on the needs of the District. In 2011, the District will have the same three service areas as in 2009 and 2010: core; standard plus; and standard. Property owners in the core area will receive a higher level of services than those in the standard plus area, which will in turn receive more than those in the standard area, and costs will be pro-rated accordingly.

Residential, government and certain non-profit properties are exempt from the assessment but may opt in to receive services. Some city-owned properties are included in the assessments.

The total budget exceeds the total service charge (assessments) by \$808,119. The difference is accounted for by Nicollet Mall Improvement Maintenance & Operation credits in the amount of \$432,610, that will be applied to DID service charges on behalf of the property owners who were in the Nicollet Mall Special Service District, \$301,159, that represents amendments for some Hennepin County properties within the DID and \$74,350, an amount to be raised through other sources.

T&PW - Your Committee, having under consideration the Downtown Business Improvement Special Service District, now recommends passage and summary publication of the accompanying Resolution approving special services, the cost estimates, service charges and the lists of service charges for 2011 in the Downtown Business Improvement Special Service District and directing the City Engineer (with the Minneapolis Downtown Improvement Service District) to proceed with the work.

Colvin Roy

Approving special services, the cost estimates, service charges and the lists of service charges for 2011 in the Downtown Business Improvement Special Service District and directing the City Engineer to proceed with the work.

Whereas, a public hearing was held on September 21, 2010 in accordance with Laws of Minnesota, Chapter 428A and Chapter 465 of the Minneapolis Code of Ordinances to consider the proposed special services, the proposed service charges and the proposed lists of service charges as more particularly described in Petn No _____ on file in the Office of the City Clerk and to consider all written and oral objections and statements regarding this matter;

Now, Therefore, Be It Resolved by The City Council of The City of Minneapolis:

That the proposed special services, the proposed cost estimate in the total amount of \$6,298,535 for 2011 and that the proposed service charges and the proposed list of service charges for 2011 in the total amount of \$5,490,416.13 (amount remaining after adjusting the cost estimate of \$6,298,535 for previous years unexpended balances and additional costs as provided for in Section 465.80 of the Minneapolis Code of Ordinances and \$74,350 to be raised through other sources) as prepared by the City Engineer and on file in the Office of the City Clerk be and hereby are approved for the Downtown Business Improvement Special Service District.

Be It Further Resolved that the City Engineer (with the Minneapolis Downtown Improvement Service District) is hereby directed to proceed with the work.

Be It Further Resolved that the service charges be collected in one (1) installment on the 2011 real estate tax statements in the same manner as special assessments without interest charges and that the City Clerk is hereby directed to transmit certified copies of said lists of service charges to the Hennepin County Auditor.